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World Production and Trade

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United States
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Weekly
Roundup

WR 9-87

March 4, 1987

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

OILSEEDS AND PRODUCTS

JAPAN'S Peanut Quotas To Decline. The Japanese Ministry of Agriculture, Fisheries and Food just recently announced peanut import quotas for Japan fiscal year 1986 (April 1986-March 1987) that are 5 percent lower than the previous year, according to the U.S. agricultural counselor in Tokyo. This move was justified on the basis that this lower level more accurately reflects actual demand. The United States exported 29,241 tons of edible peanuts to Japan in 1985/86 (Aug.-July).

DAIRY, LIVESTOCK AND POULTRY

AUSTRALIA Increases Red Meat Production. The U.S. agricultural counselor in Canberra reports red meat production for 1987 will exceed earlier forecasts. Beef production for 1987 is expected to be 1.436 million tons, up 2 percent from the November estimate because of a 200,000-head increase in slaughter to 7.6 million. Very dry pasture conditions in Queensland and favorable market prices are the reasons for the projected rise in slaughter. High interest rates may also limit herd expansion if weather conditions improve. Cattle herd growth is currently projected to be about 1 percent this year.

Starting sheep numbers for 1987 were up about 1 million head from the November estimate to 159.5 million, due to reduced slaughter and smaller death loss in 1986. For 1987, sheep meat production is projected to be up about 3 percent from the November estimate to 643,000 tons and almost 12 percent above 1986. The sharp rise in production is due in part to an increase in slaughter for export. The favorable market for sheep meat and wool caused some expansion of sheep flocks in cereal crop areas last year. This trend is forecast to continue in 1987 as sheep numbers rise about 2 percent to 162 million by the start of 1988. Lower costs, a faster turnover and high wool prices favor sheep over cattle in Australia, where interest rates are high and long-term beef export prospects remain doubtful.

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USDA

EGYPT Has Broiler Surplus. Broiler production in Egypt totaled 110,000 tons in 1986, down from 130,000 tons in 1985 according to the U.S. agricultural counselor in Cairo. The downturn was caused by shortages of low-priced feeds during much of the year. Despite the shortages, Egypt is currently reporting a surplus of broilers. Because of the shortage of feed last year, more producers than normal stopped production during the hot summer months. Production started again with the return of cooler weather and more plentiful supplies of low-priced feeds. Thus the normal surge in production during the winter months has been magnified by the synchronization of production cycles which places large quantities on the market at the same time. Late December and January wholesale prices have been well below the level producers have come to view as normal.

Rising Beef Prices Pose Problems for ARGENTINA. Live cattle and beef prices in Argentina increased sharply in February--up 18 percent and 14 percent, respectively. If beef price hikes continue, it is possible that Argentina could import meat or poultry. The most likely suppliers would be the European Community or Uruguay. U.S. beef and pork prices would not be competitive without government assistance.

The primary forces behind the higher prices are a decline in overall cattle marketings in February in the face of relatively strong domestic demand for beef and stronger export pressure pushed by increasing world beef prices.

If beef prices do not moderate, it is possible that some measures may be adopted to try to dampen them. These measures could include beefless days, price ceilings, export taxes or imports of other meats.

SUGAR

PERU'S Sugar Harvest Estimate Is Lowered. The sugar production estimate in Peru for the 1986/87 season has been revised to 593,000 tons (raw value), down 10 percent from the previous forecast and 21 percent less than the 754,000-ton 1985/86 crop, according to the U.S. agricultural attache in Lima. Drought in the principal growing areas that reduced the amount of raw material was the major reason for the downward revision. Although rains in the northern mountain region are improving the supply of irrigation water, the major benefits will not occur until the 1987/88 season.

CHINA'S Sugar Production Revised Downward. China's 1986/87 sugar crop has been revised to 5.26 million tons (raw value), down 4 percent from the previous forecast and down 5 percent from last season, according to the U.S. agricultural counselor in Beijing. The reason for the decline is the relatively poor profitability of growing cane and beets, causing harvested area of cane and beets to decline 7 percent compared with 1985/86. Beet sugar production for 1986/87 is now estimated at 837,000 tons, 5 percent less than earlier forecast and down 5 percent from last year. Cane sugar production is projected at 4,423,000 tons, 4 percent less than the previous forecast and down 5 percent from last year.

POLAND'S Sugar Outturn Will Be Higher Than Expected. Poland's 1986/87 sugarbeet crop has been revised upward to 1.9 million tons (raw value), 11 percent above the previous forecast and 4 percent more than last year, according to the U.S. agricultural counselor in Warsaw. Higher sugar content in beets as a result of good weather, adequate sunshine and a prolonged growing season which permitted lower-than-normal processing losses were cited as the major reasons for the improved outlook. Despite new production incentives announced early in the year, 1986 plantings of sugarbeets were 2 percent below a year earlier. Planted area was further reduced by unfavorable weather during the sprouting period resulting in a decline in harvested area of 3 percent from the previous year. In addition to the favorable growing conditions late in the season, sucrose content remained relatively high because the processing period was much shorter than usual.

NUTS

Cold Weather Trims SPAIN'S Almond Forecast. Cold weather and rain February 21-22 adversely affected the almond bloom in the mountainous regions of Alicante and Castellon provinces of Spain, according to the U.S. agricultural counselor in Madrid. The current forecast of the 1987 crop has been revised to 80,000-90,000 tons (shelled basis), moderately smaller than the 90,000-100,000-ton crop originally projected, but substantially greater than the 1986 harvest of 52,000 tons.

CREDIT NOTES

USDA Announces Reallocation for MEXICO. On February 24, the Commodity Credit Corporation reallocated \$5 million in guarantees previously earmarked for sales of rice to establish a line for Mexico to purchase U.S. wheat under the GSM-102 Export Credit Guarantee Program.

EXPORT ENHANCEMENT PROGRAM

The status of USDA's Export Enhancement Program as of Feb. 27, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY	RESULTS
64. Iraq table eggs	Feb. 20, '87	189 million	
63. Canary Islands frozen poultry	Feb. 9, '87	5,000	
62. Nigeria wheat	Jan. 28, '87	500,000	
61. China wheat	Jan. 26, '87	1,000,000	Sold 450,000
60. Iraq wheat	Jan. 16, '87	800,000	Sold 220,000
59. Switzerland barley, sorghum	Jan. 16, '87	250,000	Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000	COMPLETE
57. Poland barley, sorghum	Dec. 31, '86	200,000	Sold 102,000
56. Romania wheat	Dec. 23, '86	250,000	
55. Iraq frozen poultry	Dec. 22, '86	60,000	Sold 25,000
54. Dominican Republic million table eggs	Dec. 9, '86	25 million	Sold 6.5

53. Zanzibar (Tanzania) flour	Dec. 9, '86	20,000	
52. Tunisia barley	Dec. 1, '86	150,000	
51. Gulf Countries dairy cattle (Bahrain, Kuwait Oman, Qatar, United Arab Emirates)	Oct. 30, '86	1,500 head	Sold 359
50. West Africa wheat (Cameroon, Cote d'Ivoire Ghana, Togo)	Oct. 30, '86	345,000	Sold 14,500
49. Dominican Republic poultry	Oct. 29, '86	1,500	Sold 1,133
48. Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000	
46. Romania barley	Sept. 24, '86	200,000	Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000	
44. Cyprus barley	Aug. 26, '86	150,000	Sold 100,000
43. Canary Islands wheat	Aug. 8, '86	100,000	
42. Egypt semolina	Aug. 6, '86	30,000	Sold 15,000
41. EXPIRED(USSR wheat)			
40. Canary Is. dairy cattle	July 28, '86	3,000 head	
39. Hong Kong table eggs	July 28, '86	44 million	Sold 22 million
38. Senegal wheat	July 17, '86	100,000	COMPLETE
37. India vegetable oil	July 8, '86	25,000	COMPLETE
36. Jordan barley	June 17, '86	60,000	
35. Israel barley	June 17, '86	200,000	Sold 36,200
34. Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head	
32. Sri Lanka wheat	May 16, '86	125,000	Sold 110,000
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE
			(Sold 201,000)
	Jan. 5, '87	1,250,000	COMPLETE
30. Algeria barley	Apr. 17, '86	500,000	
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	Sold 3,987
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 1,855
26. Yemen poultry feed	Apr. 14, '86	150,000	
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 93,050
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
23. CANCELLED (Syria/wheat--700,000)			
22. Benin wheat	Apr. 7, '86	45,000	Sold 30,000
21. Algeria table eggs	Apr. 4, '86	500 million	
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 200
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	

18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 250,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE
			(152,400)
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 10, '86	40,000	Sold 25,000
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 19,300
12. Iraq wheat flour	Dec. 9, '85	150,000	Sold 125,000
	Jan. 7, '87	175,000	
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '87	25,000	Sold 12,500
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 15,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE
			(506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	Sold 260,000
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	Sold 25,000
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE
			(512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	Sold 29,000
	Oct. 8, '86	1,000,000	Sold 406,000
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat	June 4, '85	1,000,000	COMPLETE
	Apr. 10, '86	1,000,000	Sold 354,000
Algeria durum	Nov. 10, '86	300,000	COMPLETE

Export Enhancement Program Summary
Status as of February 26, 1987

Announced to Date	22,693,730 grains and products (grain equivalent)
	758 million table eggs
	140,500 tons frozen poultry
	52,500 head dairy cattle
	25,000 tons vegetable oil

Sold to Date

9,116,056 wheat
1,378,376 flour (grain equivalent)
2,802,200 barley
61,650 semolina (grain equivalent)
59,065 barley malt (grain equivalent)
71,000 sorghum
38,700 rice
25,000 vegetable oil
81,633 frozen poultry
28,901 head dairy cattle
28,482,000 table eggs

Total Sales Value:

\$1,313.8 million

TARGETED EXPORT PROMOTION PROGRAM

No announcements were made under USDA's Targeted Export Promotion Program this week.

PUBLICATIONS

The Foreign Agricultural Service has just published "Trade Policies and Market Opportunities for U.S. Farm Exports." This report describes the agricultural production and trade policies of more than 100 countries. It identifies government that aid agricultural exports or impede agricultural imports from the United States, and identifies market opportunities for U.S. agricultural exports. A limited number of copies of this report are available from the Foreign Agricultural Service, Information Division, Room 5918-S, U.S. Department of Agriculture, Washington, D.C. 20250-1000.

Selected International Prices

Item	: March 3, 1987	: Change from	: A year
	:	: a week ago	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWS-13.5%.10/	154.00	4.19	-1.50
U.S. No. 2 DNS/NS: 14%....	146.00	3.97	+6.00
U.S. No. 2 S.R.W.	122.00	3.32	-21.00
No. 3 H.A.D.....10/	154.00	4.19	-3.00
Canadian No. 1 A: Durum.10/	162.00	4.41	-4.00
Feed grains:			
U.S. No. 3 Yellow Corn....	83.50	2.12	+1.25
Soybeans and meal:			
U.S. No. 2 Yellow.....	197.15	5.37	-.70
Brazil 47/48% Soya Pellets	181.00	--	-9.00
U.S. 44% Soybean Meal.....	178.00	--	-5.00
U.S. FARM PRICES 3/			
Wheat.....	95.2	2.60	+2.20
Barley.....	N.Q.	--	--
Corn.....	156.69	1.44	+3.94
Sorghum.....	51.81	2.35 2/	+0.22
Broilers.....	1,098.11	--	+1.10
EC IMPORT LEVIES			
Wheat 5/.....	220.25	5.99	+7.10
Barley.....	216.60	4.72	+4.85
Corn.....	206.65	5.25	+.95
Sorghum.....	210.55	5.35	+4.15
Broilers 4/ 6/ 8/.....	595.00	--	+9.00
INTERVENTION PRICES 7/ 9/			
Common wheat(feed quality)	214.90	5.85	+.80
Bread wheat (min. quality)	225.05	6.12	+1.30
Maize.....	225.05	5.72	+1.30
Barley and all other feed			
grains, excluding maize.	214.90	--	+.80
Broilers 4/ 6/.....	1,601.00	--	+21.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	151.65	4.12	+.95
Barley.....	155.10	3.38	+1.50
Broilers 4/ 6/ 8/.....	464.00	--	+7.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April/May shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.

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